

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2236 Session of
2003

INTRODUCED BY D. EVANS AND PERZEL, DECEMBER 9, 2003

AS REPORTED FROM COMMITTEE ON TOURISM AND RECREATIONAL
DEVELOPMENT, HOUSE OF REPRESENTATIVES, AS AMENDED,
DECEMBER 15, 2003

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public
2 Corporations) of the Pennsylvania Consolidated Statutes,
3 recodifying provisions on the Pennsylvania Convention Center
4 Authority; further providing for definitions, for expansion
5 funding, for bond powers and for jurisdiction of the
6 Pennsylvania Supreme Court; providing for Pennsylvania
7 Convention Center Assistance Fund, for convention center
8 performance audits and for declaration of distress; further
9 providing for the governing board, for moneys of the
10 authority and for awarding of contracts; making conforming
11 amendments; and making related repeals.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Title 64 of the Pennsylvania Consolidated
15 Statutes is amended by adding parts to read:

16 PART I

17 PRELIMINARY PROVISIONS

18 Chapter

19 1. General Provisions (Reserved)

20 PART II

21 PUBLIC AUTHORITIES

1 Chapter

2 60. Pennsylvania Convention Center Authority

3 CHAPTER 60

4 PENNSYLVANIA CONVENTION CENTER AUTHORITY

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6 § 6001. Scope of chapter.

7 This chapter deals with convention center authorities.

8 § 6002. Findings and declaration of policy.

9 It is hereby determined and declared as a matter of
10 legislative finding that:

11 (1) The health, safety and general welfare of the people
12 of this Commonwealth are directly dependent upon the
13 continual encouragement, development, growth and expansion of
14 business, industry, commerce and tourism within this
15 Commonwealth.

16 (2) Unemployment, the spread of indigency and the heavy
17 burden of public assistance and unemployment compensation can
18 be avoided by the promotion, attraction, stimulation,
19 development and expansion of business, industry, commerce and
20 tourism in this Commonwealth.

21 (3) Development and continuation of a major convention
22 center is most appropriate in a city of the first class
23 which, because of size, is capable of attracting major
24 national conventions and the attraction of business to this
25 Commonwealth as a result of the development and continuation
26 is an important factor in the continual encouragement,
27 promotion, attraction, stimulation, development, growth and
28 expansion of business, industry, commerce and tourism within
29 a city, the surrounding counties and this Commonwealth as a
30 whole.

1 (4) The purpose of a convention center should be the
2 promotion, attraction, stimulation, development and expansion
3 of business, industry, commerce and tourism in a city, the
4 surrounding counties and this Commonwealth as a whole.

5 (5) The development and continuation of a convention
6 center will provide benefits to the hotel industry throughout
7 the entire area of the city where the convention center is
8 developed.

9 (6) The development and continuation of a convention
10 center will also provide benefits to the restaurant and
11 entertainment industries throughout the entire area of the
12 city where the convention center is located, to all other
13 businesses and individuals benefited by the attraction of
14 major conventions and tourists, to other individual
15 businesses whose livelihood is dependent on the attraction of
16 major conventions and tourists and to the general public.

17 (7) The need for and promotion of the type of facility
18 which provides and will continue to provide significant
19 benefits to the general public will require the expenditure
20 of public money and it is appropriate to authorize a city to
21 impose and collect a tax or continue to impose and collect a
22 tax, applicable within the entire territorial limits of the
23 city, to facilitate the development or continuation of a
24 convention center and the promotion of tourism within the
25 city.

26 (8) To promote the development and continuation of a
27 convention center within this Commonwealth, it is necessary
28 to provide additional and flexible means of developing,
29 constructing, designing, managing, financing and operating
30 such a convention center.

1 (9) An important aspect of the development and
2 continuation of a convention center should be the removal of
3 blighted areas and the redevelopment of blighted areas.

4 (10) The policy of this Commonwealth is to promote the
5 health, safety, employment, business opportunities and
6 general welfare of the people of this Commonwealth by
7 providing for the creation and continuation of a convention
8 center authority, which shall exist and operate as a public
9 instrumentality of this Commonwealth for the public purpose
10 of promoting, attracting, stimulating, developing and
11 expanding business, industry, commerce and tourism in this
12 Commonwealth. This purpose is declared to be a public purpose
13 supporting the enactment of all provisions of this chapter
14 and for which public money may be spent, taxes may be imposed
15 and continued and private property may be acquired by the
16 exercise of the power of eminent domain.

17 § 6003. Definitions.

18 The following words and phrases when used in this chapter
19 shall have the meanings given to them in this section unless the
20 context clearly requires otherwise:

21 "Authority" or "Pennsylvania Convention Center Authority."
22 An agency and public instrumentality of the Commonwealth and a
23 body politic and corporate created pursuant to this chapter or
24 created under the former provisions of section 4 of the act of
25 June 27, 1986 (P.L.267, No.70), known as the Pennsylvania
26 Convention Center Authority Act, formerly codified at 53 Pa.C.S.
27 Ch. 59 (relating to Pennsylvania Convention Center Authority).

28 "Board." The governing body of an authority.

29 "Bonds." Notes, bonds, refunding notes and bonds, interim
30 certificates, debentures and other evidence of indebtedness or

1 obligations which the authority is authorized to issue pursuant
2 to this chapter or was authorized pursuant to the former
3 provisions of sections 7 and 8 of the act of June 27, 1986
4 (P.L.267, No.70), known as the Pennsylvania Convention Center
5 Authority Act, formerly codified at 53 Pa.C.S. Ch. 59 (relating
6 to Pennsylvania Convention Center Authority).

7 "City." Any city or county of the first class.

8 "Construction." The acquisition, design, erection,
9 extension, renovation, rehabilitation, conversion, furnishing,
10 fixturing, equipping, enlargement or substantial repair of a
11 convention center, or part of a convention center, and
12 activities substantially related to such acquisition, design,
13 erection, extension, renovation, rehabilitation, conversion,
14 furnishing, fixturing, equipping, enlargement or substantial
15 repair of a convention center, or part of a convention center.

16 "Convention center." Any land, improvement, structure,
17 building or part of a building, or a property interest in any
18 land, improvement, structure, building or part of a building,
19 whether owned by or leased by or to or otherwise acquired by the
20 authority, and appropriate for large public assemblies; the
21 holding of conventions; conferences; trade exhibitions; and
22 other business, social, cultural, scientific and public interest
23 events. The term includes the main convention area and other
24 buildings, structures or facilities for use in conjunction with
25 the main convention area, including provision for off-street
26 parking, retail areas and other improvements related to the
27 convention center owned by or leased by or to the authority for
28 the purpose of producing revenue to assist in defraying any
29 costs or expenses of the convention center.

30 "Cost of a project." All or any part of the cost of

1 construction, acquisition, alteration, enlargement, furnishing,
2 fixturing and equipping, reconstruction and rehabilitation of a
3 convention center project. The term includes all of the
4 following:

5 (1) Cost of all lands, structures, real or personal
6 property, rights, rights-of-way, roads, franchises, easements
7 and interests acquired or used for or in connection with a
8 project.

9 (2) Cost of demolishing or removing any buildings or
10 structures on acquired land, including the cost of acquiring
11 lands to which buildings or structures may be moved or
12 located.

13 (3) Cost of all utility lines, structures or equipment.

14 (4) Charges, interest prior to, during and for a period
15 of six months after completion of construction and
16 acquisition.

17 (5) Provisions for reserves for principal and interest
18 and for extensions, enlargements, additions and improvements.

19 (6) Cost of architectural, engineering, financial and
20 legal services, plans, specifications, studies, surveys,
21 estimates of cost and of revenue.

22 (7) Expenses necessary or incident to determining the
23 feasibility or practicability of constructing the project.

24 (8) Other capital cost or expense as necessary or
25 incident to the construction, development and acquisition of
26 the project, to the financing of the construction,
27 development and acquisition and to the placing of the project
28 in operation. This paragraph includes a proper allowance for
29 contingencies and the provisions of reasonable initial
30 working capital for operating the project.

1 "Expansion or substantial renovation." Any construction with
2 an estimated total cost of more than \$300,000,000 initiated
3 after substantial completion.

4 "Federal agency" or "Federal Government." The United States
5 of America, the President of the United States of America and
6 any department or corporation, agency or instrumentality
7 designated or established by the United States of America.

8 "Main convention area." All facilities, furniture, fixtures
9 and equipment necessary or incident to the purposes of a
10 convention center. The term includes:

11 (1) meeting rooms, dining rooms, kitchens, ballrooms,
12 reception areas, registration and prefunction areas, truck
13 loading areas and access to truck loading areas, accessways,
14 common areas, lobbies and offices; and

15 (2) areas appurtenant to any of the areas listed in
16 paragraph (1).

17 "Obligee of the authority" or "obligee." Any bondholder,
18 trustee or trustees for any bondholders when a party to any
19 contract with the authority.

20 "Philadelphia Metropolitan Statistical Area." The
21 Philadelphia, Pennsylvania Metropolitan Division of the
22 Philadelphia-Camden-Wilmington, Pennsylvania-New Jersey
23 Delaware-Maryland Metropolitan Statistical Area as announced on
24 June 6, 2003, by the United States Office of Management and
25 Budget pursuant to Standards for Defining Metropolitan and
26 Micropolitan Statistical Areas by the Office of Management and
27 Budget as published in the Federal Register, Vol. 65, No. 249,
28 on December 27, 2000, to the 2000 Decennial Census of the United
29 States Census Bureau, comprising the Pennsylvania counties of
30 Philadelphia, Delaware, Bucks, Montgomery and Chester.

1 "Project." Any site, building, structure, equipment,
2 furnishing and other facilities or undertaking in respect of a
3 convention center which the authority is authorized to acquire,
4 construct, improve, install, maintain or operate under the
5 provisions of this chapter.

6 "State public body." The Commonwealth and its executive,
7 administrative and independent agencies, its departments, its
8 officers, its boards, its authorities, its commissions and its
9 instrumentalities.

10 "Substantial completion." Construction that is sufficiently
11 completed in accordance with contract documents and certified by
12 the convention center authority's architect or engineer, as
13 modified by change orders which are subject to review and
14 approval by the Secretary of the Budget and the chief financial
15 officer of the city, so that the main convention area can be
16 used, occupied or operated for its intended use. In no event
17 shall a project be certified as substantially complete until at
18 least 90% of the work on the main convention area is completed.

19 § 6004. Authority created; existing authority continued.

20 (a) Creation.--A body corporate and politic, named the
21 Pennsylvania Convention Center Authority, is created and
22 continued as a public authority and government instrumentality
23 to have continuing succession until its existence shall be
24 terminated by law. The exercise by the authority of the powers
25 conferred by this chapter or under the former provisions of the
26 act of June 27, 1986 (P.L.267, No.70), known as the Pennsylvania
27 Convention Center Authority Act, formerly codified at 53 Pa.C.S.
28 Ch. 59 (relating to the Pennsylvania Convention Center
29 Authority), is declared to be and shall for all purposes be
30 deemed and held to be the performance of an essential public

1 function.

2 (b) Transition provisions.--

3 (1) The authority established under the former
4 provisions of section 4 of the Pennsylvania Convention Center
5 Authority Act, formerly codified at 53 Pa.C.S. § 5904
6 (relating to authority created), shall be deemed for all
7 purposes to be the authority created under this chapter and
8 shall exercise those powers, functions and duties and be
9 governed by those provisions applicable to the authority
10 created under this chapter. Nothing in this chapter shall be
11 construed to alter or modify in any respect any contract,
12 bond or other obligation of the authority entered into prior
13 to the effective date of this chapter.

14 (2) The authority created or existing under this
15 chapter, including the authority established under the former
16 provisions of section 4 of the Pennsylvania Convention Center
17 Authority Act, formerly codified at 53 Pa.C.S. § 5904, shall,
18 without the necessity of action or assignment by it or any
19 other person:

20 (i) continue in the rights and responsibilities of
21 the authority existing under the former provisions of the
22 Pennsylvania Convention Center Authority Act, formerly
23 codified at 53 Pa.C.S. Ch. 59, for all purposes,
24 including, but not limited to, receipt of all grants,
25 gifts, appropriations, subsidies or other payments;

26 (ii) continue to be the owner, lessor or lessee of
27 any real or personal property and enjoy and be subject to
28 any and all rights and responsibilities appurtenant
29 thereto of the authority existing under the former
30 provisions of the Pennsylvania Convention Center

1 Authority Act, formerly codified at 53 Pa.C.S. Ch. 59,
2 including, but not limited to, all assets, property, real
3 and personal, tangible and intangible, all leases,
4 easements and all evidences of ownership or other
5 interest, in part or in whole, and all records and other
6 evidences pertaining thereto; and

7 (iii) continue to be obligated with respect to all
8 debt, labor agreements and all other contractual
9 obligations of the authority existing under the former
10 provisions of the Pennsylvania Convention Center
11 Authority Act, formerly codified at 53 Pa.C.S. Ch. 59,
12 which debt, labor agreements and other contractual
13 obligations are hereby ratified and shall be valid,
14 binding and enforceable under this chapter.

15 (3) It is hereby declared to be the intent of the
16 General Assembly that the authority created or continuing
17 under this chapter, including the authority established under
18 the former provisions of section 4 of the Pennsylvania
19 Convention Center Authority Act, formerly codified at 53
20 Pa.C.S. Ch. 59, and the members, officers, officials and
21 employees of any of them, shall continue to enjoy sovereign
22 and official immunity as provided in 1 Pa.C.S. § 2310
23 (relating to sovereign immunity reaffirmed; specific waiver)
24 and shall remain immune from suit except as provided by and
25 subject to the provision of 42 Pa.C.S. Ch. 85 (relating to
26 matters affecting government units).

27 § 6005. Purposes and powers; general.

28 (a) General powers.--Every authority created or continued by
29 this chapter shall be a public body, corporate and politic,
30 exercising public powers of the Commonwealth as an agency and

1 instrumentality thereof and shall be for the purpose, without
2 limitation, by itself or by agreement in cooperation with
3 others, of acquiring, holding, developing, designing,
4 constructing, improving, maintaining, managing, operating,
5 financing, furnishing, fixturing, equipping, repairing, leasing
6 or subleasing, either in the capacity of lessor or lessee or
7 sublessor or sublessee, and owning a convention center or parts
8 of a convention center.

9 (b) Specific powers.--The authority is granted all powers
10 necessary or convenient for the carrying out of the purposes in
11 subsection (a), including the following rights and powers:

12 (1) To have continuing succession.

13 (2) To be a party in all courts.

14 (3) To adopt, use and alter at will a corporate seal.

15 (4) To acquire by gift or otherwise, purchase, hold,
16 receive, lease, sublease and use any license, franchise or
17 property, real, personal or mixed, tangible or intangible, or
18 any interest in a license, franchise or property, including a
19 convention center or parts of a convention center.

20 (5) To sell, transfer or dispose of any property or
21 interest in property with adequate and fair consideration.

22 (6) To acquire, hold, develop, design, construct,
23 improve, maintain, manage, operate, furnish, fixture, equip,
24 repair, own, lease or sublease a convention center or parts
25 of a convention center and to make, enter into and award
26 contracts with any person, association, partnership or
27 corporation for the development, design, financing,
28 construction, improvement, maintenance, operation,
29 management, furnishing, fixturing, equipping and repair of a
30 convention center or parts of a convention center.

1 (7) To make bylaws for the management and regulation of
2 its affairs and issue rules, regulations and policies in
3 connection with the performance of its functions and duties.

4 (8) To appoint officers, agents, employees and servants,
5 to prescribe their duties, to fix their compensation and to
6 establish work rules, work assignments and conditions of
7 employment for any officer, agent, employee or servant of the
8 authority.

9 (9) To fix, alter, charge and collect rentals,
10 admissions, license fees and other charges.

11 (10) To borrow money for the purpose of paying the costs
12 of any project and to evidence the debt; make and issue
13 negotiable bonds of the authority; secure the payment of the
14 bonds, or any part of the bonds, by pledge or deed of trust
15 of its revenue, rentals, receipts and contract rights; make
16 contracts with the purchasers or holders of bonds or with
17 other obligees of the authority in connection with any bonds,
18 whether issued or to be issued, as the authority deems
19 advisable; obtain credit enhancement or liquidity facilities
20 in connection with any bonds as the authority determines to
21 be advantageous; and, in general, provide for the security
22 for bonds and the rights of the holders of bonds.

23 (11) To make, enter into and award contracts to execute
24 all instruments necessary or convenient for the carrying out
25 of its business.

26 (12) To borrow money and accept grants and to enter into
27 contracts, leases, subleases, licenses or other transactions
28 with any Federal agency, State public body, political
29 subdivision, person, association, partnership or corporation.

30 (13) To have the power of eminent domain within a city

1 of the first class. Any condemnation by the authority shall
2 be in the manner provided by the act of June 22, 1964
3 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain Code.

4 (14) To pledge, hypothecate or otherwise encumber any of
5 its property, real, personal or mixed, tangible or
6 intangible, and its revenue or receipts, including, but not
7 limited to, any interest the authority may have in any lease
8 or sublease of a convention center or parts of a convention
9 center.

10 (15) To procure insurance containing coverages,
11 including, without limitation, insurance covering the timely
12 payment in full of principal of and interest on bonds of the
13 authority, in amounts and from insurers as the authority may
14 determine to be necessary or desirable for its purposes.

15 (16) To invest its money.

16 (17) To cooperate with any Federal agency, State public
17 body or political subdivision.

18 (18) To invest any funds held in reserve or sinking
19 funds or any funds not required for immediate disbursements,
20 as authorized by section 6014(d)(relating to moneys of
21 authority).

22 (19) To appoint all officers, agents and employees
23 required for the performance of its duties and fix and
24 determine their qualifications, duties and compensation and
25 retain or employ other agents or consultants, including, but
26 not limited to, architects, auditors, engineers, private
27 counsel and private consultants on a contract basis or
28 otherwise for rendering professional or technical services
29 and advice.

30 (19.1) To enroll or to continue to enroll its employees

1 in an existing retirement system of the State, city or other
2 governmental entity.

3 (20) To appoint and fix the compensation of chief
4 counsel and assistant counsel to provide it with legal
5 assistance, for which purpose the authority shall not be
6 considered either an executive agency or an independent
7 agency for the purpose of the act of October 15, 1980
8 (P.L.950, No.164), known as the Commonwealth Attorneys Act,
9 but shall possess the same status for such purpose as the
10 Auditor General, State Treasurer and the Pennsylvania Public
11 Utility Commission, except that the provisions of section
12 204(b) and (f) of the Commonwealth Attorneys Act shall not
13 apply to the authority, and, notwithstanding the provisions
14 of 42 Pa.C.S. § 8525 (relating to legal assistance), the
15 authority through its counsel shall defend actions brought
16 against the authority and its officers and employees when
17 acting within the scope of their official duties.

18 (21) To maintain an office in the city.

19 (22) To appoint an executive director who shall:

20 (i) be the chief executive officer of the authority;

21 (ii) devote full time during business hours to the
22 duties of office; and

23 (iii) receive compensation as the board determines.

24 (23) To contract with an association with experience in
25 managing convention centers for the management of the
26 convention center.

27 (24) To do all acts and things necessary or convenient
28 for the promotion of its purposes and the general welfare of
29 the authority and to carry out the powers granted to it by
30 this chapter or any other acts.

1 (c) Limitation.--The authority shall have no power to pledge
2 the credit or taxing powers of any State public body, any
3 political subdivision or the city, nor shall any of its
4 obligations be deemed obligations of any State public body, any
5 political subdivision or the city, nor shall any State public
6 body, any political subdivision or the city be liable for the
7 payment of principal or interest on the obligations.

8 (d) Affirmative action.--The authority shall develop and
9 implement an affirmative action plan to assure that all persons
10 are accorded equality of opportunity in employment and
11 contracting by the authority, its contractors, subcontractors,
12 assignees, lessees, agents, vendors and suppliers.

13 § 6006. Capital and operating budgets.

14 (a) Capital budget.--At least 90 days before the commencing
15 of the ensuing fiscal year of the authority, the board shall
16 cause to be prepared and submitted to it a recommended capital
17 budget. The capital budget shall show in detail the capital
18 expenditures to be made or incurred in the next fiscal year
19 which are to be financed from funds subject to control or
20 appropriation by the board. The capital budget shall be prepared
21 with the aid of the Secretary of the Budget and the chief
22 financial officer of the city and shall be in a form and detail
23 satisfactory to them. In the event that the capital budget is
24 not in a form and detail satisfactory to either the Secretary of
25 the Budget or the chief financial officer of the city, either
26 official may require that the capital budget be redrafted and
27 resubmitted. The official shall not be considered in receipt of
28 the capital budget or any amendments to it unless the form and
29 detail of the capital budget is satisfactory. For each separate
30 purpose, project, facility or other property, the amount and the

1 source of the money that has been spent, encumbered or is
2 intended to be spent or encumbered during the fiscal year shall
3 be shown. No later than the date of the adoption of the annual
4 operating budget, the board shall adopt a capital budget by a
5 majority vote of its members.

6 (b) Operating budget.--At least 90 days before the
7 commencing of the ensuing fiscal year of the authority, the
8 board shall cause to be prepared and submitted to it a
9 recommended operating budget. The operating budget shall be
10 prepared with the aid of the chief financial officer of the city
11 and shall be in form and detail satisfactory to him. In the
12 event that the operating budget is not in a form and detail
13 satisfactory to the chief financial officer of the city, the
14 officer may require that the operating budget be redrafted and
15 resubmitted. The chief financial officer shall not be considered
16 to be in receipt of the operating budget or any amendments to
17 the operating budget unless the form and detail is to the
18 officer's satisfaction. The operating budget should set forth
19 the estimated receipts and revenue of the authority during the
20 next fiscal year. The board shall, at least 30 days before the
21 end of the fiscal year, adopt, by a majority vote of its
22 members, an operating budget for the next fiscal year.

23 (c) Additional approvals or disapprovals.--If the Secretary
24 of the Budget or the chief financial officer of the city in
25 which the convention center is located are among the members
26 appointed to the board of the authority or if they sit as ex
27 officio members of the board, each shall have the right to
28 approve or disapprove each line item of the capital budget of
29 the authority and any amendments to it as well as all change
30 orders. In addition, the chief financial officer of the city

1 shall have the right to approve or disapprove the total amount
2 of the operating budget of the authority and any amendments
3 increasing the aggregate amount. In the case of both the capital
4 and operating budgets and change orders of the authority,
5 approval shall be presumed unless the chief financial officer of
6 the city has disapproved the entire operating budget or relevant
7 amendments to it or either the chief financial officer of the
8 city or the Secretary of the Budget has disapproved all or part
9 of the capital budget of the authority or amendments to it or
10 change orders within 30 days of the receipt of the respective
11 budgets, amendments to the respective budgets or change orders.
12 The Secretary of the Budget or the chief financial officer of
13 the city may establish a threshold level below which the
14 officers will not exercise their right to disapprove change
15 orders and may identify categories or types of change orders for
16 which they will not exercise that right.

17 (d) Project design.--Notwithstanding any other provisions of
18 this chapter to the contrary, the design for any capital project
19 undertaken by the authority shall be submitted to the Secretary
20 of the Budget and the chief financial officer of the city for
21 approval. No such capital project under this subsection may be
22 undertaken by the authority unless the schematic design and the
23 preliminary design development documents have been approved by
24 the Secretary of the Budget and the chief financial officer of
25 the city. The design and construction of any capital project for
26 the convention center may be divided into stages or phases for
27 which schematic design and preliminary design development
28 documents may be approved separately by the Secretary of the
29 Budget and the chief financial officer of the city and which may
30 be undertaken by the authority as if each stage or phase was a

1 separate capital project. In the case of the schematic design
2 and preliminary design development documents for any capital
3 project or any stage or phase of a capital project, approval
4 shall be presumed unless the Secretary of the Budget or the
5 chief financial officer of the city has disapproved the design
6 and expressly set forth his objections to the documents within
7 45 days of the receipt of the documents. Further design approval
8 shall not be required provided the construction documents are
9 consistent with the design set forth in the schematic and
10 preliminary design development documents.

11 (e) Onsite inspectors.--The Secretary of the Budget may
12 appoint and designate an inspector or inspectors who shall have
13 complete authority to inspect any and all aspects of the
14 construction of any capital project undertaken by the authority.
15 Any inspection shall be made during normal business hours and
16 shall be conducted in such a manner as to not disrupt the work
17 of constructing the convention center and shall be made solely
18 for the purpose of observing the construction of the project.
19 The inspectors shall report to the Secretary of the Budget for
20 the purpose of assisting the secretary in carrying out his
21 duties and responsibilities as provided by this section.

22 § 6007. Expansion financing.

23 (a) Commonwealth funds.--Any grants of Commonwealth funds to
24 the authority or for use by the authority to finance any
25 expansion or substantial renovation of the convention center
26 shall be subject to the requirements of this section.

27 (b) Managerial audit.--

28 (1) If the board has not initiated or completed a
29 managerial audit within 12 months prior to the effective date
30 of this section, the board shall initiate a managerial audit

1 of the convention center to be performed by an independent
2 auditor. The audit shall examine all of the following:

3 (i) payroll and personnel practices;

4 (ii) equipment controls and security;

5 (iii) management activities;

6 (iv) management control systems;

7 (v) cost overruns for conventions held at the
8 convention center;

9 (vi) labor productivity;

10 (vii) comparison of costs with convention centers in
11 other states;

12 (viii) work rules;

13 (ix) appropriate benchmarks for evaluation of
14 convention center performance;

15 (x) rebooking rates; and

16 (xi) any other items proposed by the board.

17 (2) The board shall order subsequent independent
18 managerial audits to evaluate compliance with audit
19 recommendations.

20 (c) Code of conduct.--The board shall establish a code of
21 conduct and a system to enforce the code of conduct.

22 (d) Customer service.--The board shall do all of the
23 following:

24 (1) Establish dispute resolution mechanisms for the use
25 of customers of the convention center.

26 (2) Adopt a plan for documenting, investigating and
27 resolving customer complaints.

28 (3) Implement the systematic collection of customer
29 feedback and monitor customer satisfaction.

30 (4) Adopt a system of program measures and benchmarks to

1 evaluate changes in customer satisfaction over time. The
2 program measures shall include, but are not limited to,
3 customer perspectives on labor jurisdiction disputes, overall
4 labor environment and labor efficiency.

5 (e) Release.--Prior to the release of any Commonwealth funds
6 to finance any expansion or substantial renovation, the
7 Secretary of the Budget in his sole discretion shall certify to
8 the President pro tempore of the Senate and the Speaker of the
9 House of Representatives that the board has complied with
10 subsections (b), (c) and (d).

11 (f) Financial plan.--The authority shall submit a proposed
12 financial plan for an expansion or substantial renovation of the
13 convention center to the Governor, the President pro tempore of
14 the Senate, the Speaker of the House of Representatives and the
15 Pennsylvania Intergovernmental Cooperation Authority. The
16 financial plan shall be considered a public record. The
17 Pennsylvania Intergovernmental Cooperation Authority shall
18 provide a detailed analysis on the fiscal impact and financial
19 risks for the expansion or substantial renovation to the
20 Governor, the President pro tempore of the Senate and the
21 Speaker of the House of Representatives. The analysis shall be
22 considered a public record.

23 § 6007.1. Pennsylvania Convention Center Assistance Fund.

24 (a) Establishment.--There is established a special fund to
25 be known as the Pennsylvania Convention Center Assistance Fund.

26 (b) Operation.--The State Treasurer shall be custodian of
27 the Pennsylvania Convention Center Assistance Fund, which shall
28 be subject to the provisions of law applicable to funds listed
29 in section 302 of the act of April 9, 1929 (P.L.343, No.176),
30 known as The Fiscal Code. Taxes imposed and dedicated to, any

1 special revenues dedicated to, and with any other moneys made
2 available to, the Pennsylvania Convention Center Assistance Fund
3 shall be received by the collector of those taxes or revenues
4 and be paid to the State Treasurer and, along with interest and
5 penalties, less any collection costs allowed by applicable law
6 and any refunds and credits paid, shall be credited to the
7 Pennsylvania Convention Center Assistance Fund not less
8 frequently than every two weeks. During any period prior to the
9 credit of moneys to the Pennsylvania Convention Center
10 Assistance Fund, interest earned on moneys received by the
11 Department of Revenue and paid to the State Treasurer on account
12 of the Pennsylvania Convention Center Assistance Fund shall be
13 deposited into the Pennsylvania Convention Center Assistance
14 Fund. All moneys in the Pennsylvania Convention Center
15 Assistance Fund, including, but not limited to, moneys credited
16 to the fund pursuant to any law that dedicates revenues to the
17 Pennsylvania Convention Center Assistance Fund, prior year
18 encumbrances and the interest earned thereon, shall not lapse or
19 be transferred to any other fund, but shall remain in the
20 Pennsylvania Convention Center Assistance Fund and must be used
21 exclusively for the purposes delineated in subsection (c).
22 Pending disbursement, moneys received on behalf of or deposited
23 into the Pennsylvania Convention Center Assistance Fund shall be
24 invested or reinvested as are other funds in the custody of the
25 State Treasurer in the manner provided by law. All earnings
26 received from the investment or deposit of moneys shall be
27 credited to the Pennsylvania Convention Center Assistance Fund.
28 All moneys and investments on deposit in or credited to the
29 Pennsylvania Convention Center Assistance Fund shall be at all
30 times property of the authority.

1 (c) Distribution of funding.--At least weekly, the State
2 Treasurer shall disburse the total amount of moneys which are,
3 as of the close of business of the previous week, contained in
4 the Pennsylvania Convention Center Assistance Fund as follows:

5 (1) if the taxes or other moneys in or to be received by
6 the Pennsylvania Convention Center Assistance Fund have been
7 pledged by the authority to secure payment of bonds, payment
8 shall be made directly to the bond payment account, any debt
9 service reserve fund or as otherwise provided in any
10 agreement with an obligee of the authority; or

11 (2) if moneys have not been pledged or if additional
12 moneys remain in the Pennsylvania Convention Center
13 Assistance Fund after payment of any amounts pledged by the
14 authority as provided in paragraph (1), then payment shall be
15 made to or upon the order of the authority for its sole and
16 unrestricted use in accordance with the provisions of this
17 chapter. The State Treasurer shall make the initial
18 disbursement pursuant to this subsection at the end of the
19 third week of the month immediately following the first
20 receipt of funds in the Pennsylvania Convention Center
21 Assistance Fund.

22 § 6008. Purposes and powers; bonds.

23 (a) Authorization.--

24 (1) A bond must be authorized by resolution of the
25 board. The resolution may specify all of the following:

26 (i) Series.

27 (ii) Date of maturity not exceeding 40 years from
28 date of issue.

29 (iii) Interest.

30 (iv) Denomination.

1 (v) Form, either coupon or fully registered without
2 coupons.

3 (vi) Registration, exchangeability and
4 interchangeability privileges.

5 (vii) Medium of payment and place of payment.

6 (viii) Terms of redemption.

7 (ix) Priorities in the revenue or receipts of the
8 authority.

9 (2) A bond must be signed by or must bear the facsimile
10 signature of such officers as the authority determines.

11 Coupon bonds must have attached interest coupons bearing the
12 facsimile signature of the treasurer of the authority as
13 prescribed in the authorizing resolution. A bond may be
14 issued and delivered notwithstanding that one or more of the
15 signing officers or the treasurer has ceased to be an officer
16 when the bond is actually delivered. A bond must be
17 authenticated by an authenticating agent, a fiscal agent or a
18 trustee, if required by the authorizing resolution.

19 (3) A bond may be sold at public or private sale for a
20 price determined by the authority. A bond may be sold at
21 private sale only if:

22 (i) the authority makes a written public explanation
23 of the circumstances and justification for the private
24 sale; and

25 (ii) the board approves the private sale by a vote
26 of at least eight members or a majority, whichever is
27 larger.

28 (4) Pending the preparation of a definitive bond,
29 interim receipts may be issued to the purchaser and may
30 contain terms and conditions as the authority determines.

(b) Negotiability.--A bond shall have all the qualities of negotiable instruments under 13 Pa.C.S. Div. 3 (relating to negotiable instruments).

(c) Use of net proceeds.--The net proceeds of the issue of bonds or notes may be used to pay the costs of the project or to reimburse any costs initially paid by any State public body, the city, other political subdivision, agency, organization or person.

(d) Refunding authorized.--

(1) Subject to the provisions of the outstanding bonds, notes or other obligations issued under the former provisions of the act of June 27, 1986 (P.L.267, No.70), known as the Pennsylvania Convention Center Authority Act, formerly codified at 53 Pa.C.S. Ch. 59 (relating to Pennsylvania Convention Center Authority), and, if not otherwise inconsistent, subject to the provisions of this chapter, the authority shall have the right and power to refund any outstanding debt, in whole or in part, at any time and shall have the right and power to refund any outstanding notes with bonds or bonds with notes.

(2) As used in this subsection, the term "refund" shall mean the issuance and sale of obligations the proceeds of which are used or are to be used for the payment or redemption of outstanding obligations upon or prior to maturity.

§ 6009. Provisions of bonds, trusts, indentures and mortgages.

In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of such bonds and obligations, the authority, in addition to its other powers, shall have the power to:

1 (1) Pledge all or any part of its gross or net revenue
2 to which its right then exists or may thereafter come into
3 existence.

4 (2) Mortgage all or any part of its real or personal
5 property then owned or thereafter acquired.

6 (3) Covenant against pledging all or any part of its
7 revenue, or against mortgaging all or any part of its real or
8 personal property to which its right or title exists or may
9 come into existence, or against permitting or suffering a
10 lien on the revenue or property; to covenant with respect to
11 limitations on its right to sell, lease or otherwise dispose
12 of any of its real property; and to covenant as to what other
13 or additional debts or obligations may be incurred by it.

14 (4) Covenant as to the bonds to be issued and as to the
15 issuance of the bonds, in escrow or otherwise, and as to the
16 use and disposition of the proceeds of the bonds; to provide
17 for the replacement of lost, destroyed or mutilated bonds; to
18 covenant against extending the time for the payment of its
19 bonds or interest on the bonds; to redeem the bonds and to
20 covenant for their redemption; and to provide the terms and
21 conditions of the bonds.

22 (5) Covenant as to the amount of revenue to be raised
23 each year or other period of time by the authority as well as
24 to the use and disposition to be made of the revenue, to
25 create or to authorize the creation of special funds for debt
26 service or other purposes and to covenant as to the use and
27 disposition of the money held in the special funds.

28 (6) Prescribe the amount of bonds.

29 (7) Prescribe the procedure, if any, by which the terms
30 of a contract with bondholders may be amended or abrogated,

1 the percentage of bonds the consent of the holders of which
2 is required for amendment or abrogation and the manner in
3 which consent of bondholders may be obtained.

4 (8) Covenant as to the use of any or all of its real or
5 personal property, to warrant its title and to covenant as to
6 the maintenance of its real and personal property, the
7 replacement of the property, the insurance to be carried on
8 the property and the use and disposition of insurance money.

9 (9) Covenant as to the rights, liabilities, powers and
10 duties arising upon the breach by it of any covenant,
11 condition or obligation and covenant and prescribe, in the
12 event of default, as to terms and conditions upon which its
13 bonds or obligations shall become or may be declared due
14 before maturity and as to the terms and conditions upon which
15 declaration and its consequences may be waived.

16 (10) Vest in a trustee or the holders of bonds, or any
17 proportion of them, the right to enforce the payment of the
18 bonds or any covenants securing or relating to the bonds; to
19 vest in a trustee the right, in the event of a default by the
20 authority, to take possession and use, operate and manage any
21 real property and to collect the rent and revenue arising
22 from the property and to dispose of the rent and revenue in
23 accordance with the agreement of the authority with the
24 trustee; to provide for the powers and duties of a trustee
25 and to limit liabilities of the trustee; and to provide the
26 terms and conditions upon which the trustee or the holders of
27 bonds, or any proportion of them, may enforce any covenant or
28 rights securing or relating to the bonds.

29 (11) Obtain letters of credit and bond insurance.

30 (12) Exercise all or any part or combination of the

1 powers granted under this chapter or under the former
2 provisions of the act of June 27, 1986 (P.L.267, No.70),
3 known as the Pennsylvania Convention Center Authority Act,
4 formerly codified at 53 Pa.C.S. Ch. 59 (relating to the
5 Pennsylvania Convention Center Authority), to make covenants
6 other than and in addition to the covenants expressly
7 authorized in this chapter, to make covenants and to do any
8 and all such acts and things necessary or convenient or
9 desirable to secure its bonds or, in the absolute discretion
10 of the authority, as will tend to accomplish the purposes of
11 this chapter by making the bonds more marketable or by
12 managing the interest cost of the bonds, notwithstanding that
13 the covenants, acts or things may not be specifically
14 enumerated in this chapter.

15 (13) Negotiate and enter into interest rate exchange
16 agreements, interest rate cap, collar, corridor, ceiling and
17 floor agreements, forward agreements, float agreements and
18 other similar arrangements which, in the judgment of the
19 authority, will assist the authority in managing the interest
20 costs of the authority.

21 § 6010. Remedies of obligee of authority.

22 An obligee of the authority has the right, in addition to all
23 other rights which may be conferred on the obligee, subject only
24 to any contractual restrictions binding upon the obligee:

25 (1) By mandamus, suit, action or proceeding at law or in
26 equity, to compel the authority and the members, officers,
27 agents or employees thereof to perform each and every term,
28 provision and covenant contained in any bond or contract of
29 the authority with or for the benefit of the obligee and to
30 require the carrying out of any or all covenants and

1 agreements of the authority and the fulfillment of all duties
2 imposed upon the authority by this chapter or under the
3 former provisions of the act of June 27, 1986 (P.L.267,
4 No.70), known as the Pennsylvania Convention Center Authority
5 Act, formerly codified at 53 Pa.C.S. Ch. 59 (relating to
6 Pennsylvania Convention Center Authority).

7 (2) By proceeding in equity, to obtain an injunction
8 against any acts or things which may be unlawful or the
9 violation of any of the rights of the obligee of the
10 authority.

11 § 6011. Additional remedies conferrable by authority.

12 (a) Additional remedies.--The authority has the power, by
13 its resolution, trust, indenture or mortgage, to confer upon any
14 obligees holding or representing a specified percentage of bonds
15 the right, in addition to all rights that may otherwise be
16 conferred, upon the happening of an event of default as defined
17 in the resolution or instrument, by suit, action or proceeding
18 in any court of competent jurisdiction:

19 (1) to obtain the appointment of a receiver of real
20 property or a leasehold interest of the authority and of the
21 rents and profits from the property or interest and, if a
22 receiver is appointed, to authorize the receiver to enter and
23 take possession of the real property or leasehold interest,
24 operate it, collect and receive all revenue or other income
25 arising from it and keep the money in a separate account and
26 apply it in accordance with the obligations of the authority
27 as the court directs; or

28 (2) to require the authority and its board members to
29 account as if it and they were the trustees of an express
30 trust.

1 (b) Authority of receiver.--Nothing in this section or any
2 other section of this chapter shall authorize any receiver
3 appointed pursuant to this chapter for the purpose of operating
4 and maintaining any facilities of the authority to sell, assign,
5 mortgage or otherwise dispose of any of the assets, of whatever
6 kind or character, belonging to the authority. It is the
7 intention of this chapter to limit the powers of the receiver to
8 the operation and maintenance of the facilities of the authority
9 as the court shall direct, and no holder or holders of bonds of
10 the authority nor any trustee or other obligee shall ever have
11 the right in any suit, action or proceeding, at law or in
12 equity, to compel a receiver, nor shall any receiver ever be
13 authorized, or any court be empowered to direct the receiver, to
14 sell, assign, mortgage or otherwise dispose of any assets, of
15 whatever kind or character, belonging to the authority.
16 § 6012. Governing board.

17 (a) Appointment.--Except as provided in subsection (j) with
18 respect to the continuation in office of members of the board of
19 the authority established under the former provisions of the act
20 of June 27, 1986 (P.L.267, No.70), known as the Pennsylvania
21 Convention Center Authority Act, formerly codified at 53 Pa.C.S.
22 Ch. 59 (relating to Pennsylvania Convention Center Authority),
23 at any time after the effective date of this chapter, power of
24 the authority shall be exercised by a governing board composed
25 of 15 members.

26 (1) Each board of county commissioners or county
27 councils within the Philadelphia Metropolitan Statistical
28 Area, excluding counties which are coterminous with cities of
29 the first class, shall appoint a resident of the county by a
30 majority vote of the members of each board of county

1 commissioners or county council from a list of four nominees
2 each prepared by each county's respective visitors bureau,
3 specifically the Valley Forge Convention and Visitors Bureau,
4 the Bucks County Conference and Visitors Bureau, the Chester
5 County Convention and Visitors Bureau and the Brandywine
6 Conference and Visitors Bureau. The term of office of members
7 appointed by each board of county commissioners or county
8 councils shall run concurrently with the term of office of
9 the appointing authority, EXCEPT THAT A MEMBER APPOINTED BY A <—
10 COUNTY OF THE SECOND CLASS A WITH A HOME RULE CHARTER SHALL
11 BE APPOINTED FOR A TERM OF FOUR YEARS.

12 (2) The President pro tempore of the Senate, the
13 Minority Leader of the Senate, the Speaker of the House of
14 Representatives and the Minority Leader of the House of
15 Representatives shall each appoint one member. The term of
16 office of these members shall run concurrently with the term
17 of office of the appointing authority.

18 (3) The chief executive officer of the city in which a
19 convention center is located shall appoint one member who is
20 a resident of the city in which a convention center is
21 located. The term of office of the member shall run
22 concurrently with the term of office of the appointing
23 authority.

24 (4) The chief executive officer of the city in which a
25 convention center is located shall appoint one member from a
26 list of four nominees prepared by each of the following
27 organizations: the Philadelphia Convention and Visitors
28 Bureau, the Multicultural Affairs Congress, the Greater
29 Philadelphia Tourism and Marketing Corporation, the Greater
30 Philadelphia Hotel Association and the Independence Visitors

1 Center Corporation. Each of the four nominees for each list
2 must be a resident of the city in which a convention center
3 is located and must have significant experience in the
4 hospitality industry. The term of office of the member shall
5 run concurrently with the term of office of the appointing
6 authority.

7 (5) The council of the city in which a convention center
8 is located shall appoint two members as provided for in this
9 paragraph. One member shall be appointed for the council by
10 the president of the council, and one shall be appointed for
11 the council by the minority leader of the council. The terms
12 of office of the members shall run concurrently with the term
13 of office of the appointing authority.

14 (6) The Governor shall appoint one member who is a
15 resident of the city in which the convention center is
16 located and one member who is a resident of the Philadelphia
17 Metropolitan Statistical Area and both appointments must be
18 made from lists of four nominees prepared by each of the
19 following organizations: the Philadelphia Convention and
20 Visitors Bureau, the Multicultural Affairs Congress, the
21 Greater Philadelphia Tourism and Marketing Corporation, the
22 Greater Philadelphia Hotel Association and the Independence
23 Visitors Center Corporation. Each nominee must be a resident
24 of the Philadelphia Metropolitan Statistical Area and must
25 have significant experience in the hospitality industry, and
26 no fewer than two nominees on each list must be residents of
27 the city in which the convention center is located. The term
28 of office of the members shall run concurrently with the term
29 of office of the appointing authority.

30 (7) The board members shall, by a vote of at least eight

1 members or a majority, whichever is larger, appoint an
2 additional member who shall serve as a chairman of the board.
3 The chairman shall serve for a term coincident with the term
4 of the member appointed pursuant to paragraph (3). In the
5 event the members of the board cannot agree on a chairman
6 within 60 days of the office of chairman becoming vacant, the
7 Governor shall appoint a member to serve as chairman subject
8 to the advice and consent of 26 members of the Senate. The
9 member appointed by either the members or the Governor shall
10 serve as chairman of the board of the authority until his
11 successor is duly appointed. The chairman may be removed and
12 a new chairman selected by a vote of eight members of the
13 board or a majority, whichever is larger.

14 (8) The Secretary of the Budget shall serve as a
15 nonvoting ex officio member of the board. If the chief
16 financial officer of the city in which the convention center
17 is located is not an appointed member of the board, he shall
18 serve as a nonvoting ex officio member of the board.

19 (b) Certification and oath of office.--The appointing powers
20 shall certify their respective appointments to the Secretary of
21 the Commonwealth. Within 30 days after certification of his
22 appointment and before entering upon the duties of his office,
23 each member of the board shall take and subscribe the
24 constitutional oath of office and file it in the office of the
25 Secretary of the Commonwealth.

26 (c) Terms and vacancies.--Except as otherwise provided,
27 members shall serve a term from the date of their appointment
28 and until their successors have been appointed and qualified. If
29 a vacancy shall occur by means of the death, disqualification,
30 abandonment, resignation or removal of a member or the chairman,

1 subject to the provisions of subsection (a), the appointing
2 authority shall appoint a successor to fill his unexpired term.

3 (d) Compensation.--Subject to an aggregate per annum
4 limitation and any other rules and regulations as the board
5 shall determine, a member shall receive \$125 per diem when
6 engaged in the exercise of duties for the authority and shall
7 also be entitled to necessary expenses, including travel
8 expenses, incurred in the discharge of duties. In addition to
9 any other compensation provided under this subsection, the
10 chairman of the board of the authority shall be entitled to
11 receive such additional compensation as the board shall
12 determine. No other member of the board shall be entitled to any
13 additional compensation for extra service provided to the
14 authority. The per diem amount may be increased by a vote of
15 eight members of the board or a majority, whichever is larger,
16 but any increase shall not apply during the term of office of
17 board members voting or eligible to vote on the per diem
18 increase.

19 (e) Organization.--The members of the board shall select a
20 vice chairman and other officers as the board may determine from
21 the members of the board. Except as otherwise provided in this
22 chapter, all actions of the board shall be taken by a vote of
23 eight members of the board or a majority, whichever is larger.
24 The board shall have full authority to manage the properties and
25 business of the authority and to prescribe, amend and repeal
26 bylaws, rules and regulations governing the manner in which the
27 business of the authority may be conducted and the powers
28 granted to it may be exercised and embodied. Notwithstanding any
29 other law, court decision, precedent or practice to the
30 contrary, no actions by or on behalf of the board shall be taken

1 by any officer of the board except upon the approval of a
2 majority of the board. The chairman, vice chairman or any other
3 officer, committee or employee of the board may take actions by
4 or on behalf of the board as authorized on at least an annual
5 basis by a vote of eight members of the board or a majority,
6 whichever is larger, and subject to the supervision and control
7 of the board.

8 (f) Nonliability of members.--Members of the board shall not
9 be liable personally on the bonds or other obligations of the
10 authority. The rights of creditors shall be solely against the
11 authority. The authority, itself or by contract, shall defend
12 board members and shall indemnify and hold harmless board
13 members, whether currently employed by the authority or not,
14 against and from any and all personal liabilities, actions,
15 causes of action and any and all claims made against them for
16 whatever actions they perform within the scope of their duties
17 as board members.

18 (g) Meetings.--Regular meetings of the board shall be held
19 at least once in each calendar month except July or August, the
20 time and place of the meetings to be fixed by the board. A
21 majority of the board shall constitute a quorum for the
22 transaction of business. All action of the board shall be by
23 resolution, and the affirmative vote of a majority of all the
24 members shall be necessary for the adoption of any resolution.

25 (h) Abandonment.--A member of the board shall be deemed to
26 have abandoned his office upon failure to attend any regular or
27 special meeting of the board without excuse approved by
28 resolution of the board for a period of four months or upon
29 removal of his residence from the metropolitan area.

30 (i) Definition.--As used in this section, the term "actions

1 by or on behalf of the board" means any action whatsoever of the
2 board, including the hiring, appointment, removal, transfer,
3 promotion or demotion of any officers and employees, the
4 retention, use or remuneration of any advisors, counsel,
5 auditors, architects, engineers or consultants, the initiation
6 of any legal action, the making of any contracts, leases,
7 agreements, bonds, notes or covenants, the approval of
8 requisitions, purchase orders, investments and reinvestments and
9 the adoption, amendment, revision or rescission of any rules and
10 regulations, orders or other directives.

11 (j) Transition provision.--

12 (1) All members of the board appointed under the former
13 provisions of section 11 of the Pennsylvania Convention
14 Center Authority Act who have not resigned or been replaced
15 as of the effective date of this act shall continue to serve
16 as members of the board of the authority created and
17 continued pursuant to this chapter until their respective
18 terms of office would have expired as provided under the
19 former provisions of the Pennsylvania Convention Center
20 Authority Act and shall exercise the powers, functions and
21 duties of the board of the authority created under this
22 chapter.

23 (2) The appointment of all members of the board
24 appointed pursuant to the former provisions of the
25 Pennsylvania Convention Center Authority Act or the former
26 provisions of 53 Pa.C.S. Ch. 59 are hereby ratified and
27 confirmed. Those board members shall be considered to have
28 been appointed under this act, they shall serve until the end
29 of the terms of office prescribed by the statute pursuant to
30 which they were appointed and their appointments shall be

1 considered valid for all purposes.

2 (3) To the extent that a member of the board continues
3 to serve pursuant to paragraph (2), the appointing authority
4 who originally made the appointment pursuant to the former
5 provisions of 53 Pa.C.S. Ch. 59 shall not have the power to
6 appoint any member to the board pursuant to subsection (a)
7 until the continuing board member completes his term of
8 office.

9 § 6013. Sovereign immunity.

10 It is declared to be the intent of the General Assembly that
11 the authority created pursuant to this chapter and its members,
12 officers, officials and employees shall enjoy sovereign and
13 official immunity as provided in 1 Pa.C.S. § 2310 (relating to
14 sovereign immunity reaffirmed; specific waiver) and shall remain
15 immune from suit except as provided by and subject to the
16 provisions of 42 Pa.C.S. §§ 8501 (relating to definitions)
17 through 8528 (relating to limitations on damages).

18 Notwithstanding the provisions of 42 Pa.C.S. § 8525 (relating to
19 legal assistance), the authority through its counsel shall
20 defend actions brought against the authority and its officers
21 and employees when acting within the scope of their official
22 duties.

23 § 6014. Moneys of authority.

24 (a) Paid to treasurer.--Unless otherwise provided by law,
25 all money of the authority, from whatever source derived, shall
26 be paid to the treasurer of the authority.

27 (b) Funds to be invested.--The board shall invest authority
28 funds consistent with sound business practice.

29 (c) Investment program.--The board shall provide for an
30 investment program subject to restrictions contained in this

1 chapter and in any other applicable statute and any rules and
2 regulations adopted by the board.

3 (d) Authorized types of investments.--Authorized types of
4 investments for authority funds shall be:

5 (1) Direct obligations of or obligations guaranteed by
6 the United States of America.

7 (2) Any bond, debenture, note, participation certificate
8 or other similar obligation issued by any one or combination
9 of the following agencies:

10 (i) Government National Mortgage Corporation.

11 (ii) Federal Land Banks.

12 (iii) Federal Home Loan Banks.

13 (iv) Federal Intermediate Credit Banks.

14 (v) Banks for Cooperatives.

15 (vi) The Tennessee Valley Authority.

16 (vii) The United States Postal Service.

17 (viii) The Farmers Home Administration.

18 (ix) The Student Loan Marketing Association.

19 (x) The Export-Import Bank of the United States.

20 (3) Any bond, debenture, note, participation certificate
21 or other similar obligation issued by the Federal National
22 Mortgage Corporation to the extent the obligations are
23 guaranteed by the Government National Mortgage Corporation or
24 issued by any other Federal agency and backed by the full
25 faith and credit of the United States of America.

26 (4) Deposits in interest-bearing time or demand
27 deposits, or certificates of deposit, fully insured by the
28 Federal Deposit Insurance Corporation or its successor or the
29 Federal Savings and Loan Insurance Corporation or its
30 successor or fully secured by any of the obligations

described above to the extent not so insured.

(5) Repurchase agreements relating to or investment agreements secured by or providing for the acquisition and resale of obligations described in paragraphs (1) through (4) or obligations of Federal Home Loan Mortgage Corporation or Federal National Mortgage Association, with:

(i) banks or trust companies, including any banking entity or depository;

(ii) brokers or broker-dealers registered under the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. §§ 78a-78jj) acceptable to the authority; or

(iii) insurance companies rated A+ or better by Best's having a net capital and surplus of at least \$25,000,000 or certificates of deposit with banks or trust companies fully secured as to principal and accrued interest by obligations described in paragraphs (1) through (4) deposited with or subject to the control of the authority.

(6) Money market deposit accounts of banks or trust companies having a net capital and surplus of at least \$25,000,000, including any banking entity or depository.

(7) The description of authorized investments as set forth in paragraphs (5) and (6) shall only be met if the agreements referenced in paragraphs (5) and (6) provide for the repayment of the principal amount invested at an amount not less than that invested. Whenever security is required as set forth in paragraphs (4) through (6), security shall be deposited with the treasurer of the authority or be held by a trustee or agent satisfactory to the authority. Money of the authority shall be paid out on the warrant or other order of

1 the chairman of the authority or of any other person the
2 authority authorizes to execute the warrants or orders.

3 (e) Annual report to be filed; annual audits.--Within 90
4 days following the end of the fiscal year, an authority shall
5 file an annual report with the Department of Community and
6 Economic Development, the chairman and minority chairman of the
7 Appropriations Committee of the Senate and the chairman and
8 minority chairman of the Appropriations Committee of the House
9 of Representatives and with the city which shall make provisions
10 for the accounting of revenue and expenses. The authority shall
11 have its books, accounts and records audited annually in
12 accordance with generally accepted auditing standards by an
13 independent auditor who shall be a certified public accountant
14 or competent public accountant, and a copy of the audit report
15 shall be attached to and be made a part of the annual report. A
16 concise financial statement shall be published annually in the
17 Pennsylvania Bulletin. If the authority fails to make an audit,
18 then the controller, auditors or accountants designated by the
19 city are authorized to examine, at the expense of the authority,
20 the accounts and books of the authority, including its receipts,
21 disbursements, contracts, leases, sinking funds, investments and
22 any other matters relating to its finances, operations and
23 affairs.

24 (f) Power of inspection.--The Attorney General, Auditor
25 General, Secretary of the Budget and the chairman and minority
26 chairman of the Appropriations Committee of the Senate and the
27 chairman and minority chairman of the Appropriations Committee
28 of the House of Representatives shall have the right to examine
29 the books, accounts and records of the authority.

30 § 6015. Transfer of existing facilities or funds; making of

1 annual grants and lease payments to authority;
2 Commonwealth bonds.

3 (a) Authority granted.--

4 (1) Any State public body, political subdivision or the
5 city may sell, lease or sublease from or to, lend, grant,
6 convey or otherwise transfer or pay over directly to the
7 authority, with or without consideration, any of the
8 following:

9 (i) A convention center or parts of a convention
10 center.

11 (ii) Any interest in property, real, personal or
12 mixed, tangible or intangible.

13 (iii) Any funds available, needed or obligated for
14 development, acquisition, design, maintenance,
15 management, operation, financing, leasing or subleasing
16 construction, expansion or substantial renovation or
17 improvement purposes. This subparagraph includes the
18 proceeds of bonds previously or hereafter issued for
19 construction or improvement of a convention center or
20 parts of a convention center.

21 (iv) Notwithstanding any other provision of law, any
22 grant shall be made directly to the authority.

23 (2) Any property, funds or convention center or parts of
24 a convention center received by the authority may be used for
25 any lawful purpose of the authority.

26 (3) Nothing in this chapter nor in any other law shall
27 be deemed to make any authority or any persons, State-
28 supported or State-aided institutions under any laws of this
29 Commonwealth.

30 (b) Grants authorized.--

(1) The city may do any of the following:

(i) Make grants from current revenue to the authority.

(ii) Assist in defraying the cost of management, operation, maintenance, financing and debt service of a convention center or parts of a convention center.

(iii) Enter into long-term agreements providing for the payment of grants made or costs defrayed under subparagraph (i) or (ii).

(iv) Enter into long-term leases or subleases as lessee or sublessee of all or part of a convention center.

(2) Obligations of the city to make grants, lease or sublease payments to an authority shall not, even if based on debt obligations of an authority, constitute debts of the city within the meaning of any constitutional or statutory provision and shall be payable only to the extent that current revenues of the city are available.

(3) The city may issue general obligation bonds for the purpose of obtaining funds for local contributions pertaining to convention centers or parts of convention centers.

§ 6016. Award of contracts.

(a) Lowest responsible bidder.--All construction, reconstruction, repairs or work of any nature made by the authority where the entire cost, value or amount of construction, reconstruction, repairs or work, including labor and materials, shall exceed \$25,000, except construction, reconstruction, repairs or work done by employees of the authority or by labor supplied under agreement with any Federal agency, State public body, political subdivision or city with

1 supplies and materials purchased as provided in this chapter,
2 shall be done only under contract or contracts to be entered
3 into by the authority with the lowest responsible bidder upon
4 proper terms, after due public notice has been given asking for
5 competitive bids as provided in this chapter, but the authority
6 shall have the right to reject any or all bids or select a
7 single item from any bid. No contract shall be entered into for
8 construction or improvement or repair of any project or portion
9 of a project unless the contractor shall provide sufficient
10 surety or sureties approved by the authority, and in an amount
11 fixed by the authority, for the performance of the contract. All
12 contracts shall provide, among other things, that the person or
13 corporation entering into the contract with the authority will
14 pay for all materials furnished and services rendered for the
15 performance of the contract and that any person or corporation
16 furnishing materials or rendering services may maintain an
17 action to recover for the same against the obligor in the
18 undertaking as though the person or corporation was named in the
19 undertaking, provided the action is brought within one year
20 after the time the cause of action accrued. Nothing in this
21 section shall be construed to limit the power of the authority
22 to construct, repair or improve any project or portion of a
23 project or any addition, betterment or extension to a project,
24 directly by the officers and employees of the authority. Whether
25 the costs of the project are being paid for in whole or in part
26 with funds provided under section 6015 (relating to transfer of
27 existing facilities or funds; making of annual grants and lease
28 payments to authority; Commonwealth bonds), the authority may
29 award the construction, expansion or substantial renovation of a
30 convention center as a single bid project without regard to the

1 provisions of the act of May 1, 1913 (P.L.155, No.104), entitled
2 "An act regulating the letting of certain contracts for the
3 erection, construction, and alteration of public buildings," and
4 shall not be subject to the former act of November 26, 1978
5 (P.L.1309, No.317), entitled "An act regulating the awarding and
6 execution of certain public contracts; providing for contract
7 provisions relating to the retention, interest, and payment of
8 funds payable under the contracts; and repealing inconsistent
9 acts," or 62 Pa.C.S. (relating to procurement). Nothing in this
10 section or any other law of this Commonwealth shall require the
11 authority to competitively bid architectural design,
12 engineering, construction management or other professional
13 services required by the authority.

14 (b) Supplies and materials.--All supplies and materials
15 costing \$25,000 or more to be acquired directly by the authority
16 shall be purchased only after due advertisement as provided in
17 this chapter. The authority shall accept the lowest bid or bids
18 from a responsible bidder, kind, quality and material being
19 equal, but the authority shall have the right to reject any or
20 all bids or select a single item from any bid. The provisions as
21 to bidding shall not apply to the purchase of unique supplies
22 and materials or supplies and materials which cannot be obtained
23 in the open market.

24 (c) Management prerogatives.--Nothing in this section or in
25 any other law of the Commonwealth shall preclude the board, with
26 the approval of eight members or a majority, whichever is
27 larger, from negotiating contracts for management, operation,
28 concession services, licensing or leasing of a convention
29 center, or any part of a convention center. The authority shall
30 not award any contract to any manager, operator, concessionaire,

1 licensee, lessee or lessor that exceeds three years in duration
2 unless eight members of the board or a majority, whichever is
3 larger, approve the awarding of a contract for a greater period
4 of time.

5 (d) Application of city ordinances.--The authority, its
6 contractors, subcontractors, assignees, lessees, agents, vendors
7 and suppliers shall not be subject to any city laws, ordinances,
8 rules or regulations relating to any limits or preferences with
9 regard to employment, contracting or procurement in the
10 construction and operation of the convention center.

11 (e) Steel products.--The authority shall be subject to the
12 act of March 3, 1978 (P.L.6, No.3), known as the Steel Products
13 Procurement Act, and 62 Pa.C.S. Ch. 37 Subch. B (relating to
14 motor vehicles).

15 (f) Waiver of notice.--Public notice under this section may
16 be waived if the authority determines an emergency exists and
17 the supplies and materials must be purchased immediately by the
18 authority.

19 (g) Definitions.--As used in this section, the term
20 "advertisement" or "public notice" means a notice published at
21 least ten days before the award of any contract in a newspaper
22 of general circulation published in the city.

23 § 6017. Interests of public officers, public employees and
24 party officers.

25 (a) Restrictions upon authority management-level
26 employees.--

27 (1) No party officer, public officer, public official,
28 public employee or a member of the immediate family of a
29 party officer, public officer or public official shall be
30 employed as a management-level authority employee.

1 Notwithstanding the provisions of this paragraph, any member
2 of the Governor's cabinet and the chief financial officer of
3 the city in which the convention center is located and any
4 other member of the mayor's cabinet may serve on the
5 governing board of the authority as provided by section 6011
6 (relating to governing board).

7 (2) No person convicted of an infamous crime shall be a
8 member of the board or employed as a management-level
9 employee by the authority.

10 (b) Restricted activities; statement of financial interests;
11 public meetings and records.--The provisions of 65 Pa.C.S. Ch.
12 11 (relating to ethics standards and financial disclosure) and
13 section 10 of the act of October 4, 1978 (P.L.883, No.170),
14 referred to as the Public Official and Employee Ethics Law, and
15 the act of July 19, 1957 (P.L.1017, No.451), known as the State
16 Adverse Interest Act, are specifically applicable to board
17 members, officers and employees of the authority. For the
18 purposes of application of those acts, employees of the
19 authority shall be regarded as public employees of the
20 Commonwealth, and officers or board members of the authority
21 shall be regarded as public officials of the Commonwealth,
22 whether or not they receive compensation. The authority shall
23 also be subject to 65 Pa.C.S. Ch. 7 (relating to open meetings)
24 and the act of June 21, 1957 (P.L.390, No.212), referred to as
25 the Right-to-Know Law.

26 (c) Conflicts of interest.--Notwithstanding the provisions
27 of subsection (b), the following prohibitions shall apply to the
28 authority created by this chapter:

29 (1) No management-level employee or other employee of
30 the authority shall use his position with the authority, or

1 any confidential information received through his position
2 with the authority, to obtain financial gain other than
3 compensation provided by law for himself, a member of his
4 immediate family or a business with which he is associated.

5 (2) No person shall offer or give to a board member, a
6 management-level employee or other employee of the authority
7 or a member of his immediate family or a business with which
8 he is associated, and no board member, management-level
9 employee or other employee of the authority shall solicit or
10 accept, anything of value, including a gift, loan, political
11 contribution, reward or promise of future employment, based
12 on any understanding that the vote, official action or
13 judgment of the board member, management-level employee or
14 other employee of the authority would be influenced thereby.

15 (3) No board member, management-level employee or other
16 employee of the authority or a member of his immediate family
17 or any business in which the person or a member of the
18 person's immediate family is a director, officer, owner or
19 holder of stock exceeding 5% of the equity at fair market
20 value of the business shall enter into any contract valued at
21 \$500 or more to provide goods or services to the authority
22 unless the contract has been awarded to the lowest
23 responsible bidder through an open and public process,
24 including prior public notice and subsequent public
25 disclosure of all proposals considered and contracts awarded.

26 (4) No former board member, management-level employee or
27 other employee of the authority shall represent a person,
28 with or without compensation, on any matter before the
29 authority with which he has been associated for one year
30 after he leaves the authority.

1 (5) Neither an individual who is a State, city or county
2 public officer or public official or any party officer or
3 member of the immediate family of such individual nor a
4 business with which such individual or member of the
5 individual's immediate family is associated shall have a
6 financial interest in any contract valued at \$500 or more to
7 provide goods or services to the authority either during the
8 time the person holds office or for two years after the
9 person terminates office unless the contract is executed
10 pursuant to the provisions of paragraph (3). For purposes of
11 this paragraph, the term "financial interest" does not
12 include employment by, association with or ownership of a
13 business association unless the public officer, public
14 official, party officer or member of the immediate family of
15 the individual owns shares of stock in a corporation in an
16 amount in excess of 5% of the total issue for the stock of
17 the corporation or has an ownership interest in any
18 noncorporate business association in an amount in excess of
19 5% of the total ownership of a noncorporate business
20 association.

21 (6) No board member, management-level employee or other
22 employee of the authority or an advisor or consultant to the
23 State, city or the county having recommended to the authority
24 which he serves either the making of a contract relating to a
25 convention center authority or a course of action of which
26 the making of such a contract is an express or implied part
27 shall, at any time thereafter, have an adverse interest in
28 the contract.

29 (7) No board member, management-level employee or other
30 employee of the authority, the State, the city or the county

1 shall influence or attempt to influence the making of or
2 supervise or in any manner deal with any contract with the
3 authority in which the employee has an adverse interest.

4 (8) No board member, management-level employee or other
5 employee of the authority shall have an adverse interest in
6 any contract with the authority.

7 (9) No person having an adverse interest in a contract
8 with the authority shall become a board member, management-
9 level employee or other employee of the authority until the
10 adverse interest has been wholly divested.

11 (10) No board member, management-level employee or other
12 employee of the authority, the State, the city or the county,
13 except in the performance of his duties as such employee,
14 shall for remuneration, directly or indirectly, represent any
15 other person upon any matter pending before the authority.

16 (d) Enforcement; penalties.--

17 (1) Any person who violates the provisions of this
18 section shall have employment by the authority or membership
19 on the board terminated immediately by the appropriate person
20 having the power to terminate and shall be liable to the
21 authority to reimburse the authority for all compensation
22 received from the authority while employed in violation of
23 subsection (a).

24 (2) Any person who violates the provisions of subsection
25 (c)(1) or (2) is guilty of a felony and shall be fined not
26 more than \$10,000 or imprisoned for not more than five years
27 or be both fined and imprisoned.

28 (3) Any person who violates the provisions of subsection
29 (c)(3) through (10) is guilty of a misdemeanor and shall be
30 fined not more than \$1,000 or imprisoned for not more than

1 one year or be both fined and imprisoned.

2 (4) Any person who obtains financial gain from violating
3 any provisions of subsection (c), in addition to any other
4 penalty provided by law, shall pay into the accounts of the
5 authority a sum of money equal to three times the financial
6 gain resulting from the violation.

7 (5) Any person who violates the provisions of subsection
8 (c) shall be barred for a period of five years from engaging
9 in any business or contract with the authority, the State,
10 the city and any political subdivision.

11 (6) Any employee of the State, city or any political
12 subdivision or any public officer or public official who
13 violates subsection (c) shall automatically forfeit any
14 office or employment the employee holds.

15 (7) The penalties and sanctions provided by this section
16 shall supersede any similar penalties and sanctions provided
17 by the Public Official and Employee Ethics Law and State
18 Adverse Interest Act.

19 (e) Definitions.--As used in this section, the following
20 words and phrases shall have the meanings given to them in this
21 subsection:

22 "Business." Any corporation, partnership, sole
23 proprietorship, firm, enterprise, franchise, association,
24 organization, self-employed individual, holding company, joint-
25 stock company, receivership, trust or any legal entity organized
26 for profit or as a not-for-profit corporation or organization.

27 "Business with which he is associated." Any business in
28 which the person or a member of the person's immediate family is
29 a director, officer, owner, employee or holder of stock.

30 "County." A county within the Philadelphia Metropolitan

1 Statistical Area as defined in this chapter.

2 "Immediate family." A parent, spouse, child, brother, sister
3 or like relative-in-law.

4 "Infamous crime." Any violation and conviction for an
5 offense which would disqualify an individual from holding public
6 office pursuant to section 6 of Article II of the Constitution
7 of Pennsylvania, or any conviction for a violation of this
8 section, 18 Pa.C.S. § 4113 (relating to misapplication of
9 entrusted property and property of government or financial
10 institutions) or 18 Pa.C.S. Ch. 47 (relating to bribery and
11 corrupt influence), 49 (relating to falsification and
12 intimidation), 51 (relating to obstructing governmental
13 operations) or 53 (relating to abuse of office), or any other
14 violation of the laws of this Commonwealth for which an
15 individual has been convicted within the preceding ten years and
16 which is classified as a felony or a similar violation of the
17 law of any other state or the Federal Government.

18 "Management-level authority employee." The counsel employed
19 by the authority, the executive director of the authority and
20 any authority employee with discretionary powers which may
21 affect the outcome of the authority's decision in relation to a
22 private corporation or business or any employee who by virtue of
23 his job function could influence the outcome of such a decision.

24 "Party officer." The following members or officers of any
25 political party:

26 (1) a member of a national committee;

27 (2) a chairman, vice chairman, secretary, treasurer or
28 counsel of a State committee or member of the executive
29 committee of a State committee;

30 (3) a county chairman, vice chairman, counsel, secretary

1 or treasurer of a county committee; or

2 (4) a city chairman, vice chairman, counsel, secretary
3 or treasurer of a city committee.

4 "Person." A business, individual, corporation, union,
5 association, firm, partnership, committee, club or other
6 organization or group of persons.

7 "Public employee." Any individual employed by the
8 Commonwealth or a political subdivision who is responsible for
9 taking or recommending official action of a nonministerial
10 nature with regard to:

11 (1) contracting or procurement;

12 (2) administering or monitoring grants or subsidies;

13 (3) planning or zoning;

14 (4) inspecting, licensing, regulating or auditing any
15 person; or

16 (5) any other activity where the official action has an
17 economic impact of greater than a de minimis nature on the
18 interest of any person. A public employee shall not include
19 individuals who are employed by the State or any political
20 subdivision in teaching as distinguished from administrative
21 duties.

22 "Public officer." Every person elected to any public office
23 of the Commonwealth or any political subdivision.

24 "Public official." Any elected or appointed official in the
25 executive, legislative or judicial branch of the State or any
26 political subdivision. The term does not include members of
27 advisory boards who have no authority to expend public funds
28 other than reimbursement for personal expense or to otherwise
29 exercise the power of the State or any political subdivision.

30 The term does not include any appointed official who receives no

1 compensation other than reimbursement for actual expenses.

2 § 6018. Acquisition of lands.

3 (a) Power.--If the authority deems it necessary for a
4 purpose under this chapter, the authority has the power to
5 acquire any of the following with respect to land within the
6 city by purchase or eminent domain proceedings:

7 (1) A fee.

8 (2) Any right, title, interest or easement.

9 (b) Procedure.--The right of eminent domain shall be
10 exercised by the authority in the manner provided by the act of
11 June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent
12 Domain Code.

13 § 6019. Use and operation of convention center.

14 The use and operation of the convention center and any parts
15 of a convention center and the operation of the business of the
16 authority shall be subject to the rules and regulations adopted
17 by the authority. The authority shall not be authorized to do
18 anything which will impair the security of the obligees of the
19 authority or violate any agreements with them or for their
20 benefit or violate any contracts, leases or other agreements
21 awarded, made or entered into by the authority.

22 § 6019.1. Convention center performance audits; annual
23 performance reports.

24 (a) Convention center performance audits.--The board shall
25 cause periodic performance audits of the convention center to be
26 conducted and completed at least 90 days after the end of every
27 third fiscal year beginning with the fiscal year ending in 2004
28 and six months prior to the termination of any agreement with
29 any labor organization of which the authority is signatory if
30 the labor agreement terminates more than 18 months after the

1 submission of the previous performance audit, and at such
2 additional times as the board shall determine.

3 (1) The performance audit shall be performed by an
4 independent auditing or consulting firm with recognized
5 experience in the convention industry and shall examine and
6 report on the following:

7 (i) customer satisfaction at the convention center;

8 (ii) labor costs at the convention center, which
9 shall include a comparison of labor costs at the
10 convention center with labor costs at convention centers
11 in this Commonwealth and in other states;

12 (iii) rebooking rates of events at the convention
13 center categorized by size and hotel room nights, which
14 shall include a comparison of rebooking rates of previous
15 years at the convention center and rebooking rates of
16 events at convention centers in this Commonwealth and in
17 other states;

18 (iv) booking rates of events at the convention
19 center categorized by size and hotel room nights, which
20 shall include a comparison of booking rates of previous
21 years at the convention center and booking rates of
22 events at convention centers in this Commonwealth and in
23 other states;

24 (v) hotel booking rates in the Philadelphia
25 Metropolitan Statistical Area related to the convention
26 center industry, which shall include a comparison of
27 hotel booking rates in the Philadelphia Metropolitan
28 Statistical Area during previous years;

29 (vi) compliance with the code of conduct and other
30 work rules at the convention center and enforcement of

1 the code of conduct and other work rules at the
2 convention center by the authority and its designees; and
3 (vii) any other items proposed by the board.

4 (2) No later than 30 days after the completion of the
5 performance audit, the board shall submit the results of the
6 performance audit to the Governor, the Secretary of Community
7 and Economic Development, the President pro tempore of the
8 Senate, the Majority Leader of the Senate, the Minority
9 Leader of the Senate, the Speaker of the House of
10 Representatives, the Majority Leader of the House of
11 Representatives, the Minority Leader of the House of
12 Representatives, the chairperson and minority chairperson of
13 the Appropriations Committee of the Senate, the chairperson
14 and minority chairperson of the Appropriations Committee of
15 the House of Representatives, the chief executive officer of
16 the city in which the convention center is located and the
17 council president of the city in which the convention center
18 is located.

19 (b) Annual performance reports.--The board shall complete a
20 performance report no later than 90 days after the end of each
21 fiscal year beginning with the first fiscal year ending after
22 the effective date of this section, except in years in which the
23 board completes and submits a performance audit as provided for
24 in subsection (a).

25 (1) The performance report shall include a summary of
26 the following:

27 (i) Customer satisfaction at the convention center.

28 (ii) Violations of the code of conduct or other work
29 rules at the convention center, which shall include the
30 identity of any organization whose members or

1 representatives violate the code of conduct or other work
2 rules, a description of each violation and the number of
3 such violations.

4 (iii) Actions taken by the authority or its designee
5 to enforce the code of conduct and other work rules at
6 the convention center.

7 (iv) Complaints of customers and visitors at the
8 convention center, if any, and the response of the
9 authority or its designee to such complaints.

10 (v) A variance of more than 5% in any line item of
11 the authority's approved operating budget for the fiscal
12 year covered by the performance report and the reason for
13 such variance.

14 (vi) Any deficit in the authority's operating budget
15 for the fiscal year covered by the performance report and
16 the reason for such deficit.

17 (vii) Any deficit, estimated deficit or projected
18 year-end deficit in the adopted operating budget for the
19 fiscal year immediately following the fiscal year covered
20 in the performance report and the reason for such
21 deficit.

22 (viii) Booking and rebooking rates of events at the
23 convention center categorized by size and hotel room
24 nights.

25 (ix) Hotel booking rates in the Philadelphia
26 Metropolitan Statistical Area related to the convention
27 center industry.

28 (x) Any other items as the authority shall
29 determine.

30 (2) No later than 120 days after the end of each fiscal

1 year, the board shall submit the performance report to the
2 Governor, the Secretary of Community and Economic
3 Development, the President pro tempore of the Senate, the
4 Majority Leader of the Senate, the Minority Leader of the
5 Senate, the Speaker of the House of Representatives, the
6 Majority Leader of the House of Representatives, the Minority
7 Leader of the House of Representatives, the chairperson and
8 minority chairperson of the Appropriations Committee of the
9 Senate, the chairperson and minority chairperson of the
10 Appropriations Committee of the House of Representatives, the
11 chief executive officer of the city in which the convention
12 center is located and the council president of the city in
13 which the convention center is located.

14 § 6020. Limitation of powers.

15 (a) Commonwealth pledge.--The Commonwealth pledges to and
16 agrees with any person, the city, political subdivision or
17 Federal agency subscribing to or acquiring the bonds to be
18 issued by the authority for the construction or improvement of a
19 convention center or parts of a convention center that the
20 Commonwealth will not limit or alter the rights and powers
21 vested in the authority by this chapter or otherwise created by
22 this chapter in any manner inconsistent with the obligations to
23 the bondholders until all bonds, together with the interest on
24 the bonds, are fully paid and discharged. The Commonwealth
25 further pledges to and agrees with any Federal agency that, in
26 the event any Federal agency shall construct or contribute any
27 funds for the construction or improvement of a convention center
28 or parts of a convention center, the Commonwealth will not alter
29 or limit the rights and powers of the authority in any manner
30 which would be inconsistent with the due performance of any

1 agreements between the authority and the Federal agency.

2 (b) Additional Commonwealth pledge.--The Commonwealth
3 pledges to and agrees with any person that, as owner of a
4 convention center, leases or subleases a convention center or
5 parts of a convention center to or from an authority created or
6 continued pursuant to this chapter, that the Commonwealth will
7 not limit or alter the rights and powers vested by this chapter
8 in the authority or otherwise created by this chapter in any
9 manner which impairs the obligations of the authority until all
10 obligations of the authority under the lease or sublease are
11 fully met and discharged.

12 § 6021. Exemption from taxation.

13 The effectuation of the authorized purposes of an authority
14 created under this chapter shall be in all respects for the
15 benefit of the people of this Commonwealth, for the increase of
16 their commerce and prosperity and for the improvement of their
17 health and living conditions. The authority will, as a public
18 instrumentality of the Commonwealth, be performing essential
19 governmental functions. In effectuating such purposes, the
20 authority shall not be required to pay any taxes or assessments
21 upon a convention center or part of a convention center or upon
22 property acquired or used or permitted to be used by an
23 authority for such purposes. Bonds issued by an authority and
24 the transfer of and income from bonds, including profit made on
25 the sale of bonds, shall be free from State and local taxation
26 within this Commonwealth. This exemption shall not extend to
27 gift, estate, succession or inheritance taxes or any other taxes
28 not levied directly on the bonds, the transfer of bonds, the
29 income from bonds or the realization of profits on the sale of
30 bonds.

1 § 6022. Lease by authority.

2 A convention center or part of a convention center
3 established or continued under this chapter may be leased or
4 subleased by the authority to and from the city. The city is
5 empowered to enter into leases, subleases or both. A lease or
6 sublease may be made for a specified or unlimited time and on
7 any terms and conditions approved by the city and agreed to by
8 the authority in conformity with its contracts with the holders
9 of any bonds.

10 § 6023. Cooperation.

11 (a) State public bodies and political subdivisions may
12 cooperate.--For the purpose of aiding and cooperating with the
13 authority and in the planning, acquisition, clearance,
14 relocation, development, design, construction, rehabilitation,
15 leasing, subleasing, alteration, expansion, financing,
16 improvement, management or operation of a convention center or
17 parts of a convention center, any State public body, political
18 subdivision or the city may, upon terms with or without
19 consideration, as it determines, do any of the following:

20 (1) Dedicate, sell, convey, lease or otherwise transfer
21 any of its property or any interest in its property, real,
22 personal or mixed, tangible or intangible, to the authority.

23 (2) Cause parking, recreational or community facilities
24 or any other works which it is otherwise empowered to
25 undertake to be furnished in or adjacent to any area selected
26 for a convention center or parts of a convention center.

27 (3) Furnish, dedicate, close, pave, install, grade,
28 regrade, plan or replan streets, roads, roadways, alleys,
29 sidewalks or other places which it is otherwise empowered so
30 to do.

1 (4) Enter into agreements extending over any period with
2 the authority or with the Federal Government.

3 (5) Do all things necessary or convenient to aid and
4 cooperate in the development, acquisition, design,
5 construction, improvement, maintenance, management,
6 operation, furnishing, fixturing, equipping, repairing,
7 financing, owning, leasing and subleasing of a convention
8 center or parts of convention center.

9 (6) In connection with any public improvements made by
10 any State public body, political subdivision or the city, in
11 exercising the powers granted in this subsection, to incur
12 the entire expense of the improvement.

13 (a.1) Documents.--The Secretary of General Services is
14 authorized, with the approval of the Governor and Attorney
15 General, to execute and deliver on behalf of the Commonwealth
16 conveyances, deeds and leases authorized under this chapter or
17 under the former provisions of the act of June 27, 1986
18 (P.L.267, No.70), known as the Pennsylvania Convention Center
19 Authority Act, formerly codified at 53 Pa.C.S. Ch. 59 (relating
20 to Pennsylvania Convention Center Authority).

21 (b) City may contract with authority.--In connection with a
22 convention center or parts of a convention center, the city may
23 contract with the authority or the Federal Government with
24 respect to any sums which the authority or the Federal
25 Government may agree to pay during any year or period of years
26 to the city for the improvements, services and facilities to be
27 provided by it for the benefit of the authority, convention
28 center or parts of a convention center or the persons occupying
29 such area. The absence of a contract for such payments shall not
30 relieve the city from the duty to furnish for the benefit of the

1 authority, convention center or parts of a convention center or
2 the persons occupying the area customary improvements and
3 services and facilities as the city usually furnishes without a
4 service fee.

5 (c) State and city may designate authority as its agent.--
6 The State or the city may, by written agreement, designate the
7 authority as its agent within the authority's field of operation
8 to perform any specified activity or to administer any specified
9 program which the State or the city is authorized by law to do.
10 Any such activities or programs must be in furtherance of the
11 public purposes specified in this chapter. Such activities
12 include development, acquisition, design, construction,
13 improvement, maintenance, leasing, management or operation of a
14 convention center or parts of a convention center.

15 (d) Powers in addition to other powers.--The powers
16 conferred by this section shall be in addition and supplemental
17 to the powers conferred by any other law.

18 § 6024. Hotel room rental tax; continuation of existing tax.

19 (a) Imposition of tax.--The council of the city in which the
20 convention center is located is authorized to impose or continue
21 to impose an excise tax on the consideration received by each
22 operator of a hotel within the city from each transaction of
23 renting a room or rooms to accommodate transients. The tax shall
24 be collected by the operator from the patron of the room and
25 paid over to the city pursuant to subsection (e) and shall be
26 known as the hotel room rental tax.

27 (b) Rate of tax.--

28 (1) The rate of tax imposed under this section by the
29 council of the city in which the convention center is located
30 shall not exceed 6%.

1 (2) The total rate of tax imposed pursuant to this
2 section and section 202 of the act of March 4, 1971 (P.L.6,
3 No.2), known as the Tax Reform Code of 1971, shall not exceed
4 12%. In the event the rate of tax imposed pursuant to section
5 202 of the Tax Reform Code of 1971 exceeds 6% and the rate of
6 tax imposed pursuant to this section has reached 6%, the rate
7 of tax imposed pursuant to this section shall be reduced in
8 order that the aggregate tax rate not exceed 12%.

9 (c) Distribution of tax revenue.--There shall be annually
10 deposited in the special fund, established pursuant to
11 subsection (d), for the use of tourist promotion agencies for
12 tourist promotion agency activities:

13 (1) Thirty-three and one-third percent of all revenue
14 received pursuant to this section for the fiscal year of the
15 city commencing on or after July 1, 1999, and each fiscal
16 year thereafter ending prior to July 1, 2010.

17 (2) Twenty-nine and one hundred and sixty-six one
18 thousandths percent of all revenue received pursuant to this
19 section for the fiscal year of the city commencing on or
20 after July 1, 2010, and each fiscal year thereafter ending
21 prior to July 1, 2015.

22 (3) Twenty-five percent of all revenue received pursuant
23 to this section for the fiscal year of the city commencing
24 July 1, 2015, and thereafter. The balance of revenue to be
25 received from taxes imposed pursuant to this section shall be
26 deposited annually in the special fund, established pursuant
27 to subsection (d), for the use of the authority for
28 convention center purposes.

29 (d) Deposit.--The tax collector of each city electing to
30 impose the tax authorized under this section or the tax

1 collector of each city imposing the tax on the effective date of
2 this chapter as authorized under the former provisions of the
3 act of June 27, 1986 (P.L.267, No.70), known as the Pennsylvania
4 Convention Center Authority Act, formerly codified at 53 Pa.C.S.
5 Ch. 59 (relating to Pennsylvania Convention Center Authority),
6 is directed to collect the tax and to deposit the revenue
7 received from the tax in special funds established for purposes
8 set forth in this section. Interest on money deposited in the
9 funds shall accrue proportionately to the respective funds as
10 provided in this section. The tax collector is authorized to
11 establish, maintain and amend already existing rules and
12 regulations concerning the collection of the tax.

13 (e) Expenditures.--Expenditures from the funds established
14 pursuant to subsection (d) for the tourist promotion agency
15 shall be used by the designated tourist promotion agency for:

16 (1) advertising and publicizing tourist attractions in
17 the area served by the agency;

18 (2) promoting and attracting conventions, exhibitions
19 and other functions to utilize facilities in the area served
20 by the agency;

21 (3) promoting and otherwise encouraging the use of the
22 facilities in the area served by the agency by the public as
23 a whole; and

24 (4) costs associated with the development and operation
25 of the convention center.

26 (f) Expenditures for convention center purposes.--

27 Expenditures from the fund established pursuant to subsection
28 (d) for the authority shall be used by the authority for the
29 following uses:

30 (1) Projected annual debt service or lease payments of

1 the convention center authority.

2 (2) Costs associated with financing, constructing,
3 improving, maintaining, furnishing, fixturing and equipping
4 the convention center.

5 (3) Costs associated with the development of the
6 convention center, including design, engineering and
7 feasibility costs.

8 (4) Costs associated with the operation and management
9 of the convention center.

10 (5) Costs associated with promoting, marketing and
11 otherwise encouraging use of the convention center.

12 (6) General purposes of the convention center.

13 (g) Pledge to bondholders.--If and to the extent that the
14 authority pledges its share of the proceeds of the tax
15 authorized by this section as security for the payment of bonds
16 issued by the authority for convention center purposes, the
17 Commonwealth pledges to and agrees with any person, firm or
18 corporation subscribing to or acquiring bonds to be issued by
19 the authority for convention center purposes that the
20 Commonwealth itself will not, except to the extent provided in
21 subsection (b), nor will it authorize any city to reduce the
22 rate of tax imposed for convention center purposes until all
23 bonds secured by the pledge of the authority, together with the
24 interest on the bonds, are fully met and discharged.

25 (h) Tax year.--Each tax year for any tax imposed hereunder
26 shall run concurrently with the city's fiscal year.

27 (i) Continuation of current tax.--The former provisions of
28 section 23 of the Pennsylvania Convention Center Authority Act,
29 formerly codified at 53 Pa.C.S. Ch. 59, are continued by this
30 chapter; and any tax imposition under the former provisions of

1 section 23 of the Pennsylvania Convention Center Authority Act,
2 formerly codified at 53 Pa.C.S. Ch. 59, is specifically
3 continued and is not repealed or modified in any way by the
4 enactment of this chapter.

5 (j) Definitions.--In addition to the definitions provided by
6 section 6003 (relating to definitions), the following words and
7 phrases when used in this section shall have the meanings given
8 to them in this subsection unless the context clearly indicates
9 otherwise:

10 "Consideration." Receipts, fees, charges, rentals, leases,
11 cash, credits, property of any kind or nature, or other payment,
12 received by operators in exchange for or in consideration of the
13 use or occupancy by a transient of a room or rooms in a hotel
14 for any temporary period.

15 "Hotel." As follows:

16 (1) Any hotel, motel, inn, guesthouse or other building
17 located within the city which holds itself out by any means,
18 including advertising, license, registration with any
19 innkeeper's group, convention listing association, travel
20 publication or similar association or with any government
21 agency, as being available to provide overnight lodging or
22 use of facility space for consideration to individuals
23 seeking temporary accommodation.

24 (2) Any place which advertises to the public at large or
25 any segment of the public that it will provide beds, sanitary
26 facilities or other space for a temporary period to members
27 of the public at large.

28 (3) Any place recognized as a hostelry.

29 The term does not include a portion of a facility which is
30 devoted to individuals who have established permanent residence.

1 "Occupancy." The use or possession or the right to the use
2 or possession by any person other than a permanent resident of
3 any room in a hotel for any purpose or the right to the use or
4 possession of the furnishings or to the services accompanying
5 the use and possession of the room.

6 "Operator." Any individual, partnership, nonprofit or
7 profit-making association or corporation or other person or
8 group of persons that maintains, operates, manages, owns, has
9 custody of or otherwise possesses the right to rent or lease
10 overnight accommodations in a hotel to the public for
11 consideration.

12 "Patron." A person that pays the consideration for the
13 occupancy of a room or rooms in a hotel.

14 "Permanent resident." Any person who has occupied or has the
15 right to occupy any room or rooms in a hotel as a patron or
16 otherwise for a period exceeding 30 consecutive days.

17 "Room." A space in a hotel set aside for use and occupancy
18 by patrons, or otherwise, for consideration, having at least one
19 bed or other sleeping accommodations provided in the space.

20 "Temporary." A period of time not exceeding 30 consecutive
21 days.

22 "Tourist promotion agency." The agency designated by the
23 council of the city in which the convention center is located to
24 be eligible for grants from the Department of Community and
25 Economic Development pursuant to the act of April 28, 1961
26 (P.L.111, No.50), known as the Tourist Promotion Law.

27 "Transaction." The activity involving the obtaining by a
28 transient or patron of the use or occupancy of a hotel room from
29 which consideration emanates to the operator under an express or
30 an implied contract.

1 "Transient." An individual who obtains an accommodation in a
2 hotel for the individual by means of registering at the facility
3 for the temporary occupancy of any room for the personal use of
4 that individual by paying to the operator of the facility a fee
5 in consideration for the use.

6 Section 2. Notwithstanding any other provision of law to the
7 contrary, the Supreme Court of Pennsylvania shall have exclusive
8 jurisdiction to hear any challenge to or to render a declaratory
9 judgment concerning the constitutionality of 64 Pa.C.S. Ch. 60.
10 The Supreme Court is authorized to take such action as it deems
11 appropriate, consistent with the Supreme Court retaining
12 jurisdiction over such matter, to find facts or to expedite a
13 final judgment in connection with such a challenge or a request
14 for declaratory relief.

15 Section 3. (a) The following acts and parts of acts are
16 repealed:

17 Act of June 27, 1986 (P.L.267, No.70), known as the
18 Pennsylvania Convention Center Authority Act.

19 53 Pa.C.S. Ch. 59.

20 (b) All other acts and parts of acts are repealed insofar as
21 they are inconsistent with this act.

22 Section 4. This act shall take effect January 5, 2004, or
23 immediately, whichever is later.